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# 77th Annual Statement

**THE DOMINION LIFE ASSURANCE COMPANY**

WATERLOO, ONTARIO / DECEMBER 31st, 1965





# 77th Annual Statement

for the year ended December 31st, 1965



JAMAICA



UNITED STATES



CANADA



BERMUDA



BAHAMAS

When it comes to insurance... it's  
***Dominion***  
for ***Life***



THE DOMINION LIFE ASSURANCE COMPANY, WATERLOO, ONTARIO

## THE BOARD OF DIRECTORS

HENRY F. ROOD, Chairman of the Board, Fort Wayne  
*President, The Lincoln National Life Insurance Company*

E. G. SCHAFER, President, Kitchener  
*Director, The Waterloo Trust and Savings Company*

\*C. GORDON COCKSHUTT, Brantford  
*President, Cockshutt Securities Limited*

\*ALFRED S. UPTON, Kitchener  
*Director, The Waterloo Trust and Savings Company*

CHARLES L. GUNDY, Toronto  
*President, Wood, Gundy and Company Limited*

GEORGE H. DOBBIE, Galt  
*President, The Dobbie Industries Limited*

RONALD G. STAGG, Fort Wayne  
*Vice-President, The Lincoln National Life Insurance Company*

\*CARL A. POLLOCK, Kitchener  
*President, Dominion Electrohome Industries Limited*

\*HAROLD J. BALL, Kitchener  
*President, Ball Brothers, Limited*

J. P. W. OSTIGUY, Montreal  
*President, Morgan, Ostiguy & Hudon Limited*

GORDON C. REEVES, Fort Wayne  
*Vice-President and General Counsel, The Lincoln National Life Insurance Company*

*\*Policyholders' Directors.*

## EXECUTIVE OFFICERS

E. G. SCHAFER — President

G. F. C. PANGMAN — Vice-President and Treasurer

H. M. ATRUBIN — Vice-President and Actuary

J. S. ACHESON — Vice-President and Director of Agencies

E. S. REID — Secretary

R. G. PAUL — Comptroller

H. B. EDWARDS — General Counsel

### ACTUARIAL

W. F. HANCOCK — Assistant Actuary

R. ROSEMAN — Assistant Actuary

H. B. REITZEL — Statements Officer

### UNDERWRITING

W. J. SAUNDERS — Underwriting  
Executive

W. A. SEHL, M.D. — Medical Director

N. W. McQUAY, M.D. — Assistant  
Medical Director

C. G. HEPPLER — Underwriting Officer

### ADMINISTRATIVE

J. G. MASTERS — Assistant Comptroller

A. E. YOUNGMAN — Assistant  
Comptroller

L. D. HOULE — Assistant Comptroller

D. O. JANKE — Claims Officer

### AGENCY

A. A. MORISON — Superintendent of  
Sales Promotion

C. M. DEVITT — Superintendent of  
Agencies

L. J. DRAGO — Superintendent of  
Agencies

W. A. GREEN — Superintendent of  
Agencies

D. R. URQUHART — Superintendent of  
Agencies

### INVESTMENT

J. W. MAHN — Associate Treasurer

G. A. COYNE — Associate Treasurer

C. J. WATKISS — Assistant Treasurer

D. G. LACEY — Assistant Treasurer

### GROUP

D. ECKERSLEY — Group Executive

D. S. WHITE — Superintendent of  
Group Sales

W. G. SMYTHE — Assistant Superintendent  
of Group Sales





The Board of Directors left to right: Carl A. Pollock, Kitchener, President, Dominion Electrohome Industries Limited; Charles L. Gundy, Toronto, President, Wood, Gundy and Company Limited; George H. Dobbie, Galt, President, The Dobbie Industries Limited; C. Gordon Cockshutt, Brantford, President, Cockshutt Securities Limited; Alfred S. Upton, Kitchener, Director, The Waterloo Trust and Savings Company; Henry F. Rood, Chairman of the Board, Fort Wayne, President, The Lincoln National Life Insurance Company; E. G. Schafer, President, Kitchener, Director, The Waterloo Trust and Savings Company; Ronald G. Stagg, Fort Wayne, Vice President, The Lincoln National Life Insurance Company; Harold J. Ball, Kitchener, President, Ball Brothers Limited; J. P. W. Ostiguy, Montreal, President, Morgan, Ostiguy and Hudon Limited; Gordon C. Reeves, Fort Wayne, Vice President and General Counsel, The Lincoln National Life Insurance Company.

## THE DIRECTORS' 77th ANNUAL REPORT

For the year ended December 31, 1965

The Seventy-seventh Annual Statement indicates excellent progress. Assets and surplus funds reached new high levels and new records were established in sales, life insurance in force and payments to policyholders. It is gratifying to report another year of substantial progress in all phases of our activity.

### NEW BUSINESS

New Life Insurance and Retirement Annuities totalled \$233,165,279 in 1965, a new high total and an increase of \$62,404,584 over 1964. The acquisition of an unusually large Group Insurance case was an important factor in this increase. During the year



# THE DIRECTORS' ANNUAL REPORT

54.7% of our business was Ordinary Life Insurance, 43.2% was Group Insurance, the balance was made up of Retirement Annuities.

## BUSINESS IN FORCE

At the close of the year, Life Insurance and Retirement Annuities in force stood at \$1,504,701,026. This is a gain of \$137,262,147. This gain exceeds that recorded in 1964 by forty-five million dollars and reflects the substantial group insurance case mentioned above.

Group Life Insurance in force, included in the above figures, now totals \$386,439,955 — a gain of \$91,607,521. Group Annuity contracts are not included in the foregoing total and now provide annual pensions of \$6,250,000.

## HEALTH INSURANCE

Group Sickness and Accident premiums in force were \$3,814,165 at the end of the year, which is an increase of \$269,471. Modest gains were recorded in our individual Health Insurance operation which is still in its development stage.

## INCOME

The income from Insurance and Annuity premiums in 1965 was \$35,672,150, which was an increase of 9.4% over last year. Investment income, after deducting investment expenses, increased by \$1,141,527 and totalled \$14,829,784. Income from all sources amounted to a record-breaking total of \$51,013,094.

## ASSETS

The Company's Assets now stand at \$279,988,519. The increase during 1965 was \$18,033,639. Mortgage Loans continue to represent the largest item in our investment portfolio and total \$127,485,732. Bonds and Debentures increased to \$108,058,246. The book values of our securities are substantially less than their current market value.

## INTEREST RATE

Our interest rate continues to improve. In 1965 it reached 5.68% as compared with 5.60% in 1964 and 5.52% in 1963.

## MORTALITY

Mortality experience in both the Ordinary and Group sections was satisfactory and showed considerable improvement over 1964. Diseases of the heart and circulatory systems continue to account for about half our claims while cancer, in its various forms, was responsible for approximately 25%. The Company continues to give its cooperation and financial support to medical research projects, which have as their objective the lengthening of human life.

## PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

Amounts paid to, or set aside for, policyholders during the year amounted to \$38,821,748 and represent an increase over 1964 of \$2,996,601. Of the total amount, \$26,105,589 was paid to policyholders and beneficiaries and \$12,716,159 represents amounts set aside to provide for future payments. Dividends to policyholders reached a record total of \$3,627,227, which exceeds the amounts paid in 1964 by 25%.

... CONTINUED

#### LIABILITIES AND SURPLUS FUNDS

At the end of the year, Policy and Annuity reserves were \$211,121,679, an amount considerably in excess of that which we are legally required to hold. Surplus funds increased by \$2,719,487 after paying dividends of \$120,000 to shareholders and \$3,627,227 to policyholders. Surplus funds totalled \$26,293,776 at the year end.

#### STAFF

During 1965 our national economy was extremely buoyant but the excellent results reported here could not have been possible without the dedicated efforts of our sales organization in all the areas in which we operate, the loyalty and helpfulness of our Branch Office staffs and the team work which has been evident at the Head Office.

The sincere thanks of the Board of Directors is extended to everyone connected with the Company who contributed to the success of the past year.

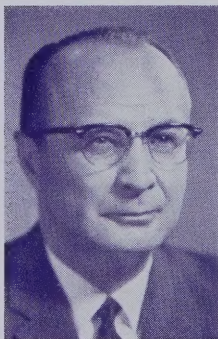
Respectfully submitted on behalf of the Board of Directors.

Waterloo, Ontario, February 11, 1966.



*Henry F. Rood*

HENRY F. ROOD, *Chairman of the Board*



*E. G. Schaffer*

E. G. SCHAFER, *President*



## SUMMARY OF 1965 OPERATIONS

### THE DOMINION LIFE ASSURANCE COMPANY

<i>Income</i>	1965	1964
Insurance and Annuity Premiums	\$ 35,672,150	\$ 32,618,289
Investment Income after deducting Investment Expenses	14,829,784	13,688,257
Net Profit on Sale of Assets	511,160	483,304
	<u>\$ 51,013,094</u>	<u>\$ 46,789,850</u>
<i>Paid or Set Aside for Future Payment</i>		
To Policyholders and Beneficiaries:		
Death Benefits	\$ 7,822,419	\$ 7,525,523
Accident and Sickness Benefits	3,314,150	2,915,358
Matured Endowments	2,418,196	2,216,265
Voluntary Terminations	5,744,584	5,537,986
Annuity Benefits	1,998,047	1,767,426
Dividends	3,627,227	2,886,546
Interest on Deposits	1,180,966	1,033,038
Increase in Reserves for future payments	12,716,159	11,943,005
	<u>\$ 38,821,748</u>	<u>\$ 35,825,147</u>
Taxes, Licences and Fees	762,482	740,998
Commissions	2,793,214	2,690,221
Operating Expenses	4,897,361	4,899,447
Interest on Staff Funds	383,567	355,169
Dividends to Shareholders	120,000	112,000
Net Write-down of Assets	515,235	198,335
	<u>\$ 48,293,607</u>	<u>\$ 44,821,317</u>
<i>Balance Added to Surplus Funds</i>	\$ 2,719,487	\$ 1,968,533
<i>Capital &amp; Surplus at Beginning of Year</i>	<u>\$ 23,574,289</u>	<u>\$ 21,605,756</u>
<i>Capital &amp; Surplus at End of Year</i>	<u><u>\$ 26,293,776</u></u>	<u><u>\$ 23,574,289</u></u>

# THE DOMINION LIFE ASSURANCE COMP

## ASSETS

		1965	1964
BONDS AND DEBENTURES			
Canada	\$ 72,491,298		
United States	32,320,512		
Sterling Area	<u>3,246,436</u>	\$108,058,246	\$ 99,146,756
PREFERRED AND COMMON STOCKS			
Canada	\$ 1,753,272		
United States	11,444,922		
Sterling Area	<u>89,197</u>	13,287,391	12,400,535
MORTGAGES AND SALE AGREEMENTS			
Canada	\$120,071,525		
United States	5,587,612		
Sterling Area	<u>1,826,595</u>	127,485,732	120,128,440
REAL ESTATE			
Held for Investment	\$ 7,056,962		
Head Office Premises	<u>1,258,672</u>	8,315,634	6,875,498
POLICY LOANS		16,212,378	16,695,111
CASH AND BANK BALANCES		1,474,060	1,885,167
INTEREST, DUE AND ACCRUED		2,676,569	2,382,083
PREMIUMS OUTSTANDING, NET		<u>2,478,509</u>	<u>2,441,290</u>
TOTAL ASSETS		<u>\$279,988,519</u>	<u>\$261,954,880</u>

Throughout these statements United States currency is included at the rate of \$1.00 Canadian to the U.S. dollar, and sterling at the rate of \$3.00 Canadian to the pound.

HENRY F. ROOD, Chairman of the Board.

E. G. SCHAFER, President.



# Y, BALANCE SHEET, DECEMBER 31, 1965

## LIABILITIES

	1965	1964
<b>POLICY AND ANNUITY RESERVES</b>		
This amount with interest and future premiums makes provision for all future payments under insurance and annuity contracts . . . . .	\$211,121,679	\$198,575,653
<b>UNPAID AND UNREPORTED CLAIMS</b>		
Death and disability benefits awaiting completion of documents, together with provision for unreported claims . . . . .	3,374,043	3,545,567
<b>AMOUNTS ON DEPOSIT</b>		
Policyholders' Dividends . . . . . \$16,300,095		
Policy Proceeds . . . . . 6,118,084		
Premiums and Other Amounts . . . . . <u>2,407,906</u>	24,826,085	22,986,069
<b>PROVISION FOR DIVIDENDS</b>		
Dividends to be paid to policyholders in the year following date of account . . . . .	3,825,000	3,700,000
<b>STAFF PENSION AND INSURANCE FUNDS</b>		
The accumulation of premiums and pension contributions paid by salaried employees and agents together with amounts set aside by the Company . . . . .	7,254,033	6,635,306
<b>GOVERNMENT TAXES ACCRUED</b>		
Federal, Provincial and State taxes payable in the year following date of account . . . . .	389,482	399,350
<b>OTHER LIABILITIES</b>		
Expense items due and accrued and amounts in suspense . . . . .	<u>2,904,421</u>	<u>2,538,646</u>
<b>TOTAL LIABILITIES</b>	<u>\$253,694,743</u>	<u>\$238,380,591</u>
 <i>Capital and Surplus Funds</i>		
Capital Paid Up . . . . . \$ 400,000		
Contingency Reserve . . . . . 6,500,000		
Shareholders' Surplus . . . . . 764,580		
Unallotted Surplus . . . . . <u>18,629,196</u>	<u>26,293,776</u>	<u>23,574,289</u>
 <b>LIABILITIES, CAPITAL AND SURPLUS . . . .</b>	 <u><u>\$279,988,519</u></u>	 <u><u>\$261,954,880</u></u>

## AUDITOR'S REPORT

We have examined the Balance Sheet of The Dominion Life Assurance Company as at December 31, 1965, and in addition, have made tests of the transactions throughout the year.

We have received certificates from the Company's Bankers confirming the Bank Balances, and have examined or otherwise confirmed the Bonds and Stocks held as investments.

The Policy and Annuity Reserves and Allotments of Surplus are as determined by the Company's Actuary.

We have received all the information and explanations which we have required and in our opinion, based upon our examination, the Balance Sheet at December 31, 1965, and the related Summary of 1965 Operations, according to the best of our information and the explanations given to us, and as shown by the books of the Company, are properly drawn up so as to exhibit a true and correct view of the Company's affairs at that date.

Neff, Goodwin & Co.

*Chartered Accountants*

Waterloo, Ontario, February 1, 1966

## ACTUARY'S CERTIFICATE

I hereby certify that the reserve of \$211,121,679 maintained at December 31, 1965, in respect of the Company's Insurance, Annuity, Accident and Sickness and Supplementary Contracts, has been determined in accordance with the provisions of the Canadian and British Insurance Companies' Act and in my opinion makes good and sufficient provision for all unmatured obligations of the Company guaranteed under the terms of its policies.

H. M. Atrubin

*Vice-President and Actuary*

Waterloo, Ontario, February 1, 1966



## HIGHLIGHTS OF 1965

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*New Business* \$233,165,279

AN INCREASE OF OVER \$62,400,000

*Business In Force* \$1,504,701,026

AN INCREASE OF OVER \$137,000,000

*Assets Total* \$279,988,519

AN INCREASE OF OVER \$18,000,000

*Paid or Set Aside for Policyholders and Beneficiaries* \$38,821,748

AN INCREASE OF NEARLY \$3,000,000

*Surplus Funds* \$26,293,776

AN INCREASE OF OVER \$2,700,000

*Income was* \$51,013,094

AN INCREASE OF OVER \$4,200,000

# OUR 1965 INCOME DOLLAR

Where it  
came from

How it  
was used

Premiums  
from  
Policyholders

70.6¢

Net  
Earnings  
from  
Investments

29.4¢

100.0

Paid to  
Policyholders  
and  
Beneficiaries

52.5¢

Invested  
for  
Policyholders

30.6¢

Taxes

1.5¢

Operating  
Expenses

15.2¢

Shareholders

.2¢

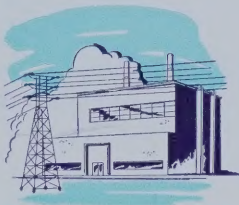
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ANALYSIS OF ASSETS December 31, 1965

Bonds and Debentures

Government and Government Guaranteed	\$ 33,700,902	12.1%
Municipal	11,288,731	4.0%
Public Utility	21,327,495	7.6%
Other Corporation	41,741,118	14.9%



Stocks

Preferred	7,225,976	2.6%
Common	6,061,415	2.1%



Mortgages

Conventional	73,561,603	26.3%
Joint and Insured	53,924,129	19.2%

Real Estate

Held for Investment	7,056,962	2.5%
Head Office Premises	1,258,672	.5%



Policy Loans	16,212,378	5.8%
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Cash and Bank Balances	1,474,060	.5%
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Interest Due and Accrued	2,676,569	1.0%
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Premiums Outstanding, Net	2,478,509	.9%
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TOTAL ASSETS	<u>\$279,988,519</u>	<u>100.0%</u>
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## COMPANY OFFICES

### Canada

CALGARY, ALTA., Addison House, 501-18th Avenue S.W., F. C. Lange, C.L.U.  
CHARLOTTETOWN, P.E.I., 111 Grafton Street, R. W. Parke, C.L.U.  
COOKSVILLE, ONT., 19 Dundas Street W., John Van Strien, C.L.U.  
EDMONTON, ALTA., Imperial Bank Bldg., 9990 Jasper Ave., W. J. Monaghan, C.L.U.  
FORT WILLIAM, ONT., 311 The Chapple Bldg., G. Symington, C.L.U.  
HALIFAX, N.S., 1529 Dresden Row, L. A. Wilson, C.L.U.  
HAMILTON, ONT., 155 James Street S., J. M. Phillion  
KINGSTON, ONT., 162 Wellington Street, E. H. Hannah, C.L.U.  
KITCHENER, ONT., 305 King Street W., L. O. Murray, C.L.U.  
LONDON, ONT., 397 Dundas Street, William Brown  
MONTREAL, P.Q., 2055 Peel Street, Germain Nepveu  
MONTREAL, P.Q., 5801 Monkland Avenue, Robert Hill  
MONTREAL, P.Q., 325-50 Place Cremazie, Jules Allard  
MONTREAL P.Q., 790 Laurentien Blvd., Suite 101, Sam Shernofsky, C.L.U.  
NEW WESTMINSTER, B.C., 550 Sixth Street, Donald R. Sharpe, C.L.U.  
OTTAWA, ONT., 30 The Driveway, Edwin Thomas, C.L.U.  
PETERBOROUGH, ONT., 121 George Street N., J. G. Goodfellow, C.L.U.  
QUEBEC, P.Q., 1135 Chemin St. Louis, Jean Plamondon  
REGINA, SASK., 2060 Broad Street, Fred M. Nagel  
SAINT JOHN, N.B., Market Building, B. M. Flemming  
ST. CATHARINES, ONT., 275 St. Paul Street, M. R. Phillion, C.L.U.  
ST. JOHN'S, NFLD., 321 Duckworth Street, J. G. Shea, C.L.U.  
SUDBURY, ONT., 161 Larch Street, Gail Williams  
TORONTO, ONT., 410 Adelaide Street W., Sid Seligman C.L.U.  
Associate Manager, H. J. Weiss, C.L.U.  
TORONTO, ONT., 2 Carlton Street, R. K. Crouch, C.L.U.  
TORONTO, ONT., 4214 Dundas Street W., A. D. McKerihen, C.L.U.  
TORONTO, ONT., 234 Eglinton Avenue E., Charles N. Ransom  
VANCOUVER, B.C., 101-1687 West Broadway, Dennis G. Cocke  
VICTORIA, B.C., 702 Fort Street, F. A. H. Carbery, C.L.U.  
WATERLOO, ONT., Waterloo Square, E. H. Heimpel  
WINDSOR, ONT., 660 Ouellette Avenue, R. A. Howard, C.L.U.  
WINNIPEG, MAN., 504 Power Building, S. C. Hodges



Consultant, Province of Quebec, Montreal, P.Q., Paul Baby





When it comes to insurance...it's

**Dominion**  
for **Life**



THE DOMINION LIFE ASSURANCE COMPANY, WATERLOO, ONTARIO

